

Message Text

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PAGE 01 LONDON 15858 041810Z

53

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

SP-02 AID-05 NSC-05 RSC-01 CIEP-01 TRSE-00 SS-15

STR-01 OMB-01 CEA-01 PA-01 PRS-01 AGR-05 CIAE-00

COME-00 FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 /075 W

----- 078899

O R 041803Z DEC 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 6255

INFO AMEMBASSY BONN

AMEMBASSY PARIS

LIMITED OFFICIAL USE LONDON 15858

E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJ: SUGAR: STATE OF LONDON SUGAR MARKET

REF: STATE 265901

1. LONDON SUGAR MARKET HAS CONTINUED DECLINE WITH
LONDON DAILY PRICE OF 500 POUNDS QUOTED FOR DECEMBER
3. A TRADE SOURCE TOLD EMBOFF MORNING OF DECEMBER 4
THAT LONDON TRADE IS QUITE CONCERNED WITH PRESENT STATE
OF MARKET AND PARTICULARLY WORRIED WITH SUSPENSION OF
TRADE IN PARIS MARKET. HE REPORTED THAT LONDON MARKET
SUGAR COMMITTEE MEETING ON OVERALL SITUATION TODAY. AS
HE SEES PROBLEM, MAJOR ELEMENT IS 20 POUNDS "LIMIT DOWN"
IN ANY ONE DAY'S TRADING OTHER THAN FOR NEAR MONTH.
IN HIS OPINION, THIS LIMIT LOCKS TRADERS INTO THEIR
POSITIONS AND HAS EFFECT OF ACCENTUATING RATHER THAN
MODERATING PRICE DECLINE IN FUTURES. SOURCE SAID THERE
IS CONSIDERABLE SENTIMENT FOR REMOVING 20 POUNDS LIMIT
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PAGE 02 LONDON 15858 041810Z

ALTOGETHER WHICH WOULD CREATE FREE MARKET WHICH WOULD

SEEK OWN LEVEL AND REMOVE MUCH OF PRESENT UNCERTAINTY.

2. DECEMBER 4 FINANCIAL TIMES CARRIED REPORT CONSISTENT WITH REFTEL WITH ADDED DETAILS THAT SUSPENSION FOLLOWED JOINT REQUEST BY PRESIDENT OF THE PARIS COMMODITY TRADERS ASSOCIATION AND PRESIDENT OF PARIS FUTURES MARKET CLEARING HOUSE. ARTICLE NOTED "ONE PROMINENT TRADER IN PARTICULAR WITH A HEAVY 'LONG' POSITION" IS BELIEVED TO HAVE BEEN UNABLE TO MEET INCREASED MARGIN DEPOSIT REQUIREMENTS.

SPIERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, ECONOMIC CONDITIONS, TRADE CONTROLS, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Enclosure: n/a
Executive Order: N/A
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Previous Handling Restrictions: n/a
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Review Event:
Review Exemptions: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
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Subject: SUGAR: STATE OF LONDON SUGAR MARKET
TAGS: ETRD, EAGR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005